

Senate File 433

PAG LIN

SENATE FILE 433

1 1
1 2
1 3 AN ACT
1 4 RELATING TO AND MAKING APPROPRIATIONS TO THE DEPARTMENT OF
1 5 ECONOMIC DEVELOPMENT, CERTAIN BOARD OF REGENTS INSTITUTIONS,
1 6 DEPARTMENT OF WORKFORCE DEVELOPMENT, AND THE PUBLIC EMPLOYMENT
1 7 RELATIONS BOARD AND RELATED MATTERS.

1 8
1 9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 10
1 11 Section 1. GOALS AND ACCOUNTABILITY.

1 12 1. The goals for the department of economic development
1 13 shall be to expand and stimulate the state economy, increase
1 14 the wealth of Iowans, and increase the population of the
1 15 state.

1 16 2. To achieve the goals in subsection 1, the department of
1 17 economic development shall do all of the following:

1 18 a. Concentrate its efforts on programs and activities that
1 19 result in commercially viable products and services.

1 20 b. Adopt practices and services consistent with free
1 21 market, private sector philosophies.

1 22 c. Ensure economic growth and development throughout the
1 23 state.

1 24 3. The department of economic development shall
1 25 demonstrate accountability by using performance measures
1 26 appropriate to show the attainment of the goals in subsection
1 27 1 for the state and by measuring the effectiveness and results
1 28 of the department's programs and activities. The performance
1 29 measures and associated benchmarks shall be developed or
1 30 identified in cooperation with the legislative fiscal bureau
1 31 and approved by the joint appropriations subcommittee on
1 32 economic development. The data demonstrating accountability
1 33 collected by the department shall be made readily available
1 34 and maintained in computer-readable format.

1 35 Sec. 2. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is
2 1 appropriated from the general fund of the state to the
2 2 department of economic development for the fiscal year
2 3 beginning July 1, 2003, and ending June 30, 2004, the
2 4 following amounts, or so much thereof as is necessary, to be
2 5 used for the purposes designated:

2 6 1. ADMINISTRATIVE SERVICES DIVISION

2 7 a. General administration

2 8 For salaries, support, maintenance, miscellaneous purposes,
2 9 programs, for the transfer to the Iowa state commission grant
2 10 program, and for not more than the following full-time
2 11 equivalent positions:

2 12 \$ 1,479,746
2 13 FTEs 28.75

2 14 b. The department shall work with businesses and
2 15 communities to continually improve the economic development
2 16 climate along with the economic well-being and quality of life
2 17 for Iowans. The administrative services division shall
2 18 coordinate with other state agencies ensuring that all state
2 19 departments are attentive to the needs of an entrepreneurial
2 20 culture.

2 21 2. BUSINESS DEVELOPMENT DIVISION

2 22 a. Business development operations

2 23 For business development operations and programs,
2 24 international trade, export assistance, workforce recruitment,
2 25 the partner state program, for transfer to the strategic
2 26 investment fund, for transfer to the value-added agricultural
2 27 products and processes financial assistance fund, salaries,
2 28 support, maintenance, miscellaneous purposes, and for not more
2 29 than the following full-time equivalent positions:

2 30 \$ 6,068,491
2 31 FTEs 57.00

2 32 b. The department shall establish a strong and aggressive
2 33 marketing image to showcase Iowa's workforce, existing
2 34 industry, and potential. A priority shall be placed on
2 35 recruiting new businesses, business expansion, and retaining
3 1 existing Iowa businesses. Emphasis shall also be placed on
3 2 entrepreneurial development through helping to secure capital
3 3 for entrepreneurs, and developing networks and a business
3 4 climate conducive to entrepreneurs and small business.

3 5 c. Notwithstanding section 8.33, moneys appropriated in

3 6 this subsection that remain unencumbered or unobligated at the
3 7 close of the fiscal year shall not revert but shall remain
3 8 available for expenditure for the purposes designated until
3 9 the close of the succeeding fiscal year.

3 10 3. COMMUNITY AND RURAL DEVELOPMENT DIVISION

3 11 a. Community development programs

3 12 For salaries, support, maintenance, miscellaneous purposes,
3 13 community economic development programs, tourism operations,
3 14 community assistance, the film office, the mainstreet and
3 15 rural mainstreet programs, the school-to-career program, the
3 16 community development block grant, and housing and shelter=
3 17 related programs and for not more than the following full-time
3 18 equivalent positions:

3 19 \$ 5,750,196
3 20 FTEs 61.75

3 21 b. The department shall encourage development of
3 22 communities and quality of life to foster economic growth.
3 23 The department shall prepare communities for future growth and
3 24 development through development, expansion, and modernization
3 25 of infrastructure.

3 26 c. The department shall develop public-private
3 27 partnerships with Iowa businesses in the tourism industry,
3 28 Iowa tour groups, Iowa tourism organizations, and political
3 29 subdivisions in this state to assist in the development of
3 30 advertising efforts. The department shall, to the fullest
3 31 extent possible, develop cooperative efforts for advertising
3 32 with contributions from other sources.

3 33 d. Notwithstanding section 8.33, moneys that remain
3 34 unexpended at the end of the fiscal year shall not revert to
3 35 any fund but shall remain available for expenditure for the
4 1 designated purposes during the succeeding fiscal year.

4 2 4. For allocating moneys for the world food prize:

4 3 \$ 285,000

4 4 Sec. 3. VISION IOWA PROGRAM == FTE AUTHORIZATION. For
4 5 purposes of administrative duties associated with the vision
4 6 Iowa program, the department of economic development is
4 7 authorized an additional 3.00 full-time equivalent positions
4 8 above those otherwise authorized in this Act.

4 9 Sec. 4. RURAL COMMUNITY 2000 PROGRAM. There is
4 10 appropriated from loan repayments on loans under the former
4 11 rural community 2000 program, sections 15.281 through 15.288,
4 12 Code 2001, to the department of economic development for the
4 13 fiscal year beginning July 1, 2003, and ending June 30, 2004,
4 14 the following amounts, or so much thereof as is necessary, to
4 15 be used for the purposes designated:

4 16 1. For providing financial assistance to Iowa's councils
4 17 of governments that provide technical and planning assistance
4 18 to local governments:

4 19 \$ 150,000

4 20 2. For the rural development program for the purposes of
4 21 the program including the rural enterprise fund and
4 22 collaborative skills development training:

4 23 \$ 150,000

4 24 Sec. 5. INSURANCE ECONOMIC DEVELOPMENT. There is
4 25 appropriated from moneys collected by the division of
4 26 insurance in excess of the anticipated gross revenues under
4 27 section 505.7, subsection 3, to the department of economic
4 28 development for the fiscal year beginning July 1, 2003, and
4 29 ending June 30, 2004, the following amount, or so much thereof
4 30 as is necessary, for insurance economic development and
4 31 international insurance economic development:

4 32 \$ 100,000

4 33 Sec. 6. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding
4 34 section 15E.120, subsections 5 and 6, there is appropriated
4 35 from the Iowa community development loan fund all the moneys
5 1 available during the fiscal year beginning July 1, 2003, and
5 2 ending June 30, 2004, to the department of economic
5 3 development for the community development program to be used
5 4 by the department for the purposes of the program.

5 5 Sec. 7. WORKFORCE DEVELOPMENT FUND. There is appropriated
5 6 from the workforce development fund account created in section
5 7 15.342A, to the workforce development fund created in section
5 8 15.343, for the fiscal year beginning July 1, 2003, and ending
5 9 June 30, 2004, the following amount, for the purposes of the
5 10 workforce development fund, and for not more than the
5 11 following full-time equivalent positions:

5 12 \$ 4,000,000
5 13 FTEs 4.00

5 14 Sec. 8. WORKFORCE DEVELOPMENT ADMINISTRATION. From funds
5 15 appropriated or transferred to or receipts credited to the
5 16 workforce development fund created in section 15.343, up to

5 17 \$400,000 for the fiscal year beginning July 1, 2003, and
5 18 ending June 30, 2004, may be used for the administration of
5 19 workforce development activities including salaries, support,
5 20 maintenance, and miscellaneous purposes and for not more than
5 21 4.00 full-time equivalent positions.

5 22 Sec. 9. JOB TRAINING FUND. Notwithstanding section
5 23 15.251, all remaining moneys in the job training fund on July
5 24 1, 2003, and any moneys appropriated or credited to the fund
5 25 during the fiscal year beginning July 1, 2003, shall be
5 26 transferred to the workforce development fund established
5 27 pursuant to section 15.343.

5 28 Sec. 10. IOWA STATE UNIVERSITY.

5 29 1. There is appropriated from the general fund of the
5 30 state to the Iowa state university of science and technology
5 31 for the fiscal year beginning July 1, 2003, and ending June
5 32 30, 2004, the following amount, or so much thereof as is
5 33 necessary, to be used for small business development centers,
5 34 the science and technology research park, the institute for
5 35 physical research, and for not more than the following full-
6 1 time equivalent positions:

| | |
|-----------|--------------|
| 6 2 | \$ 2,424,161 |
| 6 3 | FTEs 56.53 |

6 4 2. Of the moneys appropriated in subsection 1, Iowa state
6 5 university shall allocate at least \$550,000 for purposes of
6 6 funding small business development centers. Small business
6 7 development centers shall be located equally throughout the
6 8 different regions of the state. Iowa state university may
6 9 allocate moneys appropriated in subsection 1 to the various
6 10 small business development centers in any manner necessary to
6 11 achieve the purposes of this subsection.

6 12 3. Iowa state university of science and technology shall
6 13 do all of the following:

6 14 a. Direct expenditures for research toward projects that
6 15 will provide economic stimulus for Iowa.

6 16 b. Emphasize that a business and an individual that
6 17 creates a business and receives benefits from a program
6 18 funded, in part, through moneys appropriated in this section
6 19 have a commercially viable product or service.

6 20 c. Provide emphasis to providing services to Iowa-based
6 21 companies.

6 22 4. It is the intent of the general assembly that the
6 23 industrial incentive program focus on Iowa industrial sectors
6 24 and seek contributions and in-kind donations from businesses,
6 25 industrial foundations, and trade associations and that moneys
6 26 for the institute for physical research and technology
6 27 industrial incentive program shall only be allocated for
6 28 projects which are matched by private sector moneys for
6 29 directed contract research or for nondirected research. The
6 30 match required of small businesses as defined in section
6 31 15.102, subsection 4, for directed contract research or for
6 32 nondirected research shall be \$1 for each \$3 of state funds.
6 33 The match required for other businesses for directed contract
6 34 research or for nondirected research shall be \$1 for each \$1
6 35 of state funds. The match required of industrial foundations
7 1 or trade associations shall be \$1 for each \$1 of state funds.

7 2 Iowa state university of science and technology shall
7 3 report annually to the joint appropriations subcommittee on
7 4 economic development and the legislative fiscal bureau the
7 5 total amount of private contributions, the proportion of
7 6 contributions from small businesses and other businesses, and
7 7 the proportion for directed contract research and nondirected
7 8 research of benefit to Iowa businesses and industrial sectors.

7 9 Notwithstanding section 8.33, moneys appropriated in this
7 10 section that remain unencumbered or unobligated at the close
7 11 of the fiscal year shall not revert but shall remain available
7 12 for expenditure for the purposes designated until the close of
7 13 the succeeding fiscal year.

7 14 Sec. 11. UNIVERSITY OF IOWA.

7 15 1. There is appropriated from the general fund of the
7 16 state to the state university of Iowa for the fiscal year
7 17 beginning July 1, 2003, and ending June 30, 2004, the
7 18 following amount, or so much thereof as is necessary, to be
7 19 used for the university of Iowa research park and for the
7 20 advanced drug development program at the Oakdale research
7 21 park, including salaries, support, maintenance, equipment,
7 22 miscellaneous purposes, and for not more than the following
7 23 full-time equivalent positions:

| | |
|------------|------------|
| 7 24 | \$ 253,338 |
| 7 25 | FTEs 6.00 |

7 26 2. The university of Iowa shall do all of the following:

7 27 a. Direct expenditures for research toward projects that

7 28 will provide economic stimulus for Iowa.
7 29 b. Emphasize that a business and an individual that
7 30 creates a business and receives benefits from a program
7 31 funded, in part, through moneys appropriated in this section
7 32 have a commercially viable product or service.
7 33 c. Provide emphasis to providing services to Iowa-based
7 34 companies.

7 35 3. The board of regents shall submit a report on the
8 1 progress of regents institutions in meeting the strategic plan
8 2 for technology transfer and economic development to the
8 3 secretary of the senate, the chief clerk of the house of
8 4 representatives, and the legislative fiscal bureau by January
8 5 15, 2004.

8 6 4. Notwithstanding section 8.33, moneys appropriated in
8 7 this section that remain unencumbered or unobligated at the
8 8 close of the fiscal year shall not revert but shall remain
8 9 available for expenditure for the purposes designated until
8 10 the close of the succeeding fiscal year.

8 11 Sec. 12. UNIVERSITY OF NORTHERN IOWA.

8 12 1. There is appropriated from the general fund of the
8 13 state to the university of northern Iowa for the fiscal year
8 14 beginning July 1, 2003, and ending June 30, 2004, the
8 15 following amount, or so much thereof as is necessary, to be
8 16 used for the metal casting institute, and for the institute of
8 17 decision making, including salaries, support, maintenance,
8 18 miscellaneous purposes, and for not more than the following
8 19 full-time equivalent positions:

| | | |
|------------|------|---------|
| 8 20 | \$ | 370,555 |
| 8 21 | FTEs | 4.75 |

8 22 2. The university of northern Iowa shall do all of the
8 23 following:

8 24 a. Direct expenditures for research toward projects that
8 25 will provide economic stimulus for Iowa.

8 26 b. Emphasize that a business and an individual that
8 27 creates a business and receives benefits from a program
8 28 funded, in part, through moneys appropriated in this section
8 29 have a commercially viable product or service.

8 30 c. Provide emphasis to providing services to Iowa-based
8 31 companies.

8 32 3. Notwithstanding section 8.33, moneys appropriated in
8 33 this section that remain unencumbered or unobligated at the
8 34 close of the fiscal year shall not revert but shall remain
8 35 available for expenditure for the purposes designated until
9 1 the close of the succeeding fiscal year.

9 2 Sec. 13. DEPARTMENT OF WORKFORCE DEVELOPMENT.

9 3 1. There is appropriated from the general fund of the
9 4 state, to the department of workforce development for the
9 5 fiscal year beginning July 1, 2003, and ending June 30, 2004,
9 6 the following amount, or so much thereof as is necessary, for
9 7 the division of labor services, the division of workers'
9 8 compensation, the workforce development state and regional
9 9 boards, the new employment opportunity fund, salaries,
9 10 support, maintenance, miscellaneous purposes, and for not more
9 11 than the following full-time equivalent positions:

| | | |
|------------|------|-----------|
| 9 12 | \$ | 4,792,391 |
| 9 13 | FTEs | 94.87 |

9 14 2. From the contractor registration fees, the division of
9 15 labor services shall reimburse the department of inspections
9 16 and appeals for all costs associated with hearings under
9 17 chapter 91C, relating to contractor registration.

9 18 3. The division of workers' compensation shall continue
9 19 charging a \$65 filing fee for workers' compensation cases.
9 20 The filing fee shall be paid by the petitioner of a claim.
9 21 However, the fee can be taxed as a cost and paid by the losing
9 22 party, except in cases where it would impose an undue hardship
9 23 or be unjust under the circumstances.

9 24 4. Notwithstanding section 8.33, moneys appropriated in
9 25 this section that remain unencumbered or unobligated at the
9 26 close of the fiscal year shall not revert but shall remain
9 27 available for expenditure for the purposes designated until
9 28 the close of the succeeding fiscal year.

9 29 Sec. 14. ADMINISTRATIVE CONTRIBUTION SURCHARGE FUND.

9 30 Notwithstanding section 96.7, subsection 12, paragraph "c",
9 31 there is appropriated from the administrative contribution
9 32 surcharge fund of the state to the department of workforce
9 33 development for the fiscal year beginning July 1, 2003, and
9 34 ending June 30, 2004, any moneys remaining in the
9 35 administrative contribution surcharge fund on June 30, 2003,
10 1 and the entire amount collected during the fiscal year
10 2 beginning July 1, 2003, and ending June 30, 2004, or so much
10 3 thereof as is necessary, for salaries, support, maintenance,

10 4 conducting labor market surveys, miscellaneous purposes, and
10 5 for workforce development regional advisory board member
10 6 expenses.

10 7 Sec. 15. EMPLOYMENT SECURITY CONTINGENCY FUND. There is
10 8 appropriated from the special employment security contingency
10 9 fund to the department of workforce development for the fiscal
10 10 year beginning July 1, 2003, and ending June 30, 2004, the
10 11 following amounts, or so much thereof as is necessary, for the
10 12 purposes designated:

10 13 1. DIVISION OF WORKERS' COMPENSATION

10 14 For salaries, support, maintenance, and miscellaneous
10 15 purposes:

10 16 \$ 471,000

10 17 2. IMMIGRATION SERVICE CENTERS

10 18 For salaries, support, maintenance, and miscellaneous
10 19 purposes for the pilot immigration service centers:

10 20 \$ 160,000

10 21 The department of workforce development shall maintain
10 22 pilot immigration service centers that offer one-stop services
10 23 to deal with the multiple issues related to immigration and
10 24 employment. The pilot centers shall be designed to support
10 25 workers, businesses, and communities with information,
10 26 referrals, job placement assistance, translation, language
10 27 training, resettlement, as well as technical and legal
10 28 assistance on such issues as forms and documentation. Through
10 29 the coordination of local, state, and federal service
10 30 providers, and through the development of partnerships with
10 31 public, private, and nonprofit entities with established
10 32 records of international service, these pilot centers shall
10 33 seek to provide a seamless service delivery system for new
10 34 Iowans.

10 35 Any additional penalty and interest revenue may be used to
11 1 accomplish the mission of the department upon notification of
11 2 the use to the chairpersons and ranking members of the joint
11 3 appropriations subcommittee on economic development, the
11 4 department of management, and the legislative fiscal bureau.
11 5 However, the department shall not allocate any additional
11 6 penalty and interest revenue prior to January 30, 2004.

11 7 Sec. 16. PUBLIC EMPLOYMENT RELATIONS BOARD. There is
11 8 appropriated from the general fund of the state to the public
11 9 employment relations board for the fiscal year beginning July
11 10 1, 2003, and ending June 30, 2004, the following amount, or so
11 11 much thereof as is necessary, for the purposes designated:

11 12 For salaries, support, maintenance, miscellaneous purposes,
11 13 and for not more than the following full-time equivalent
11 14 positions:

11 15 \$ 869,156

11 16 FTEs 10.00

11 17 Sec. 17. VALUE-ADDED AGRICULTURAL PRODUCTS AND PROCESSES
11 18 FINANCIAL ASSISTANCE FUND MONEYS. The office of renewable
11 19 fuels and coproducts may apply to the department of economic
11 20 development for moneys in the value-added agricultural
11 21 products and processes financial assistance fund for deposit
11 22 in the renewable fuels and coproducts fund created in section
11 23 159A.7.

11 24 Sec. 18. IOWA FINANCE AUTHORITY AUDIT. The auditor of
11 25 state is requested to review the audit of the Iowa finance
11 26 authority performed by the auditor hired by the authority.
11 27 The auditor of state is also requested to conduct a
11 28 performance audit of the authority to determine the
11 29 effectiveness of the authority and the programs of the
11 30 authority.

11 31 Sec. 19. APPLICATION FOR DEPARTMENT OF ECONOMIC
11 32 DEVELOPMENT MONEYS. For the fiscal year beginning July 1,
11 33 2003, any entity that was specifically identified in 2001 Iowa
11 34 Acts, chapter 188, to receive funding from the department of
11 35 economic development, excluding any entity identified to
12 1 receive a direct appropriation beginning July 1, 2003, may
12 2 apply to the department for assistance through the appropriate
12 3 program. The department shall provide application criteria
12 4 necessary to implement this section.

12 5 Sec. 20. EXPENDITURE AND ALLOCATION REPORTS. The
12 6 department of economic development, the department of
12 7 workforce development, and the regents institutions receiving
12 8 an appropriation pursuant to this Act shall file a written
12 9 report on a quarterly basis with the chairpersons and ranking
12 10 members of the joint appropriations subcommittee on economic
12 11 development and the legislative fiscal bureau regarding all
12 12 expenditures of moneys appropriated pursuant to this Act
12 13 during the quarter, allocations of moneys appropriated
12 14 pursuant to this Act during the quarter, and full-time

12 15 equivalent positions allocated during the quarter.
12 16 Sec. 21. SHELTER ASSISTANCE FUND. In providing moneys
12 17 from the shelter assistance fund to homeless shelter programs
12 18 in the fiscal year beginning July 1, 2003, and ending June 30,
12 19 2004, the department of economic development shall explore the
12 20 potential of allocating moneys to homeless shelter programs
12 21 based in part on their ability to move their clients toward
12 22 self=sufficiency.

12 23 Sec. 22. FEDERAL GRANTS. All federal grants to and the
12 24 federal receipts of agencies appropriated funds under this
12 25 division of this Act, not otherwise appropriated, are
12 26 appropriated for the purposes set forth in the federal grants
12 27 or receipts unless otherwise provided by the general assembly.

12 28 Sec. 23. UNEMPLOYMENT COMPENSATION PROGRAM.
12 29 Notwithstanding section 96.9, subsection 4, paragraph "a",
12 30 moneys credited to the state by the secretary of the treasury
12 31 of the United States pursuant to section 903 of the Social
12 32 Security Act shall be appropriated to the department of
12 33 workforce development and shall be used by the department for
12 34 the administration of the unemployment compensation program
12 35 only. This appropriation shall not apply to any fiscal year
13 1 beginning after December 31, 2003.

13 2 Sec. 24. PAYROLL EXPENDITURE REFUNDS. In lieu of the
13 3 appropriation made in section 15.365, subsection 3, there is
13 4 appropriated for the fiscal year beginning July 1, 2003, and
13 5 ending June 30, 2004, \$28,498, or so much thereof as is
13 6 necessary, from the general fund of the state to the
13 7 department of economic development to pay refunds as provided
13 8 under section 15.365.

13 9

13 10

13 11

13 12

MARY E. KRAMER
President of the Senate

13 13

13 14

13 15

13 16

13 17

CHRISTOPHER C. RANTS
Speaker of the House

13 18

13 19

13 20

13 21

I hereby certify that this bill originated in the Senate and
is known as Senate File 433, Eightieth General Assembly.

13 22

13 23

13 24

13 25

MICHAEL E. MARSHALL
Secretary of the Senate

13 26

13 27

Approved _____, 2003

13 28

13 29

13 30

13 31

THOMAS J. VILSACK
Governor

13 32